Gold Standard
for the Global Goals

GUIDELINE

THE SDG IMPACT TOOL MANUAL

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CONTACT DETAILS

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SUMMARY

Credible quantification and reporting of the Sustainable Development Goals (SDGs) allows those funding climate change mitigation activities to transparently communicate to stakeholders the benefits those actions bring to the global community – catalysing more climate action and therefore further investment into life-changing climate protection projects.

The SDG Impact Tool has been created to help project developers more efficiently monitor, quantify, verify and track a project's contributions to the SDGs. This manual provides step-by-step guidance and additional information and resources to support the application of this tool.

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SDG IMPACT TOOL GUIDANCE

1| DEFINITIONS

Article 6	Article 6 of the Paris Agreement establishes a mechanism to contribute to the mitigation of GHG emissions and supports sustainable development and environmental integrity.

Monitoring indicators and parameters	Indicators are metrics to monitor and track changes and progress towards targeted impacts, outcomes and outputs over the defined period. Parameters are data needed to calculate the value of an indicator, in cases where the indicator cannot be directly used to measure the change. In some cases, indicators are sufficient, and additional parameters are not necessary.
Nationally Determined Contributions	The national climate-related strategies, policies and actions to reduce emission reductions required for signatory countries by the Paris Agreement - known as NDCs.
Project	The activity or action being implemented for which Gold Standard Certification is sought.
Sustainable Development Goals (SDGs)	Sustainable Development Goals, also known as the "Global Goals," are a universal call to action to end poverty, protect the planet and ensure that all people enjoy peace and prosperity. These 17 Goals build on the successes of the Millennium Development Goals, while including new areas such as climate change, economic inequality, innovation, sustainable consumption, peace and justice, among other priorities.
SDG indicators	A framework of 230+ indicators corresponding to 17 SDGs and 169 associated targets to monitor the progress towards 2030 Agenda for Sustainable Development.
SDG impact	A direct, positive contribution to a Sustainable Development Goal generated by a project
SDG impact reporting tools	Tools that contain pre-identified impacts and SDG indicators that can be used to credibly quantify, monitor, report and verify the impacts claimed.
SDG washing	SDG washing refers to cases where SDG impact claims are made from a project or initiative without adequate safeguarding and inclusivity or are false or falsely exaggerated.

2| BACKGROUND AND CONTEXT

The SDGs and the Paris Agreement on Climate Change call for profound structural change in every country; requiring complementary actions by governments, civil society, and businesses. Governments, with support from science, engineering, and public policy disciplines, need to set medium-term targets with time horizons of 10-30

years (i.e., 2030 for the SDGs and 2050 for the Paris Agreement) and to develop detailed policy pathways for achieving those targets.

Time-bound benchmarks and reporting approaches are therefore needed to track progress and contributions towards those targets. Such benchmarks should offer clarity—for the corporate sector, governments and others—on how to implement major transformations[1]. As such, connecting activity level data with the national pathways and benchmarks will give clarity on how specific activities and projects contribute to national long-term targets for the SDGs.

Lessons learned from sustainable development assessment in compliance and voluntary carbon markets under the Kyoto Protocol show that transparency and integrity concerning the sustainable development contributions of projects can significantly boost market credibility, while the reverse is true in the absence of such provisions[2].

It is critically important to learn from past experiences and ensure that the implementation of the SDGs is underpinned by a robust Monitoring, Reporting and Verification (MRV) framework.

The contrast between the consensus-led nature of the SDGs and the 'bottom-up' nature of designing implementation actions introduces a risk for erroneous reporting or misleading claims made about actual progress toward SDG targets. This is further complicated because SDG targets and indicators were designed for national stocktaking rather than subnational or non-state projects and programmes, where most implementation takes place.

Voluntary actions from non-state actors such as projects by sectors, cities, companies or investors are therefore developing individual solutions to implement and report on progress achieved, with little guidance as to what is credible. These dispersed approaches leave room for interpretation of the impact of subnational and individual actions, meaning that their contributions to countries' SDG achievements are not captured consistently.

Voluntary actions by non-state actors must play a significant role to achieve both Paris Agreement and the 2030 Agenda. Such actions could emerge in response to policy changes in relevant sectors in the host country, through voluntary or compliance carbon markets, non-market mechanisms (such as Article 6.2 of the Paris Agreement[3]) or as a result of voluntary action linked to a company's Corporate Social Responsibility (CSR) strategy or general community development work through nongovernmental organisations.

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[1] https://unstats.un.org/sdgs/report/2019/The-Sustainable-DAevelopment-Goals-Report-2019.pdf
[2] Sustainable Development from Kyoto to Paris and beyond; Marion Verles, 2016
[3] https://unfccc.int/resource/bigpicture/#content-the-paris-agreement

As the SDGs operate at global, national, sub-national/regional and project levels, consistent SDG assessment approaches are needed for different entities in disparate regions and contexts to enable coherent integration into higher level reporting, for example how projects contribute to national targets.

The SDG tool has been designed to make impact claims more efficient, allow for consistent and meaningful reporting on SDG contributions across multiple contexts and use cases, minimise the costs of Monitoring, Reporting and Verification (MRV), and to help auditors, and other invested parties, effectively assess the veracity of the impact claims made by a project or programme,

3| SCOPE AND BENEFITS

3.1.1 | The SDG Impact Tool is meant for use by all GS4GG projects/VPAs and CPAs (hereafter "projects" refers to project, VPAs/CPAs), irrespective of their scope, type and scale.

3.1.2 | The SDG Impact Tool has been designed and developed to fulfill the following four key needs:

i. Making the existing Gold Standard for the Global Goals (GS4GG) SDG framework (matrix) quantifiable and verifiable

ii. Promoting uniformity in approach towards MRV of SDG impacts

iii. Upholding compliance with ISEAL requirements for portfolio-level impact reporting

iv. Supporting GS4GG's alignment with the Paris Agreement

3.1.3 | The version 1.1~~0~~ of the SDG Impact manual is applicable to GS Standard approved SDG tool which comes in effect on 1~~4~~3.03.2022. The SDG Impact Tool application is mandatory for all new projects submitted certification under GS4GG for Preliminary Review[4] after 1~~4~~3.03.2022 and projects (including new PoAs and their ~~/~~VPAs) submitted for design certification review and renewal after 1~~4~~3.03.2022.

3.1.4 | The SDG Tool application is optional and not mandatory for the following projects. Such projects may apply the SDG tool on a voluntary basis by making applicable changes in the monitoring plan by submitting a design change request at the time of next issuance.

[4] Preliminary review submission is considered as submitted when the Project Developer has: (a) signed and submitted the Terms and Conditions AND (b) submitted the Project Documentation AND (c) paid the fee for the Preliminary Review, where required (para 5.1.7, Principles and Requirements)

a. design certified projects and VPAs/CPAs until the end of the ongoing Crediting Period (after which application is mandatory) and

b. new VPAs/CPAs that will be included in design certified PoAs until the end of the ongoing Crediting Period of the PoA.

3.2 | Benefits to users

3.2.1 | The SDG Impact Tool will help:

i. Streamline the process for monitoring, reporting and verifying SDG benefits – increasing efficiency and reducing cost whilst ensuring SDG impact claims made remain accurate and credible

ii. Expand contributions to multiple SDG impacts – beyond the three already required for Gold Standard certification while minimising the extra burden of MRV

iii. Enhance the communication of SDG contributions – by having transparent, standard and, in a follow up phase, compelling way to visualise the impacts

iv. Standardised impact indicators and quantification methods to allow for clear comparison of project performance

v. Aggregation of SDG impacts for reporting at a portfolio level and comparability within sectors

4| SDG IMPACT TOOL USAGE GUIDANCE

4.1 | General background

4.1.1 | The SDG Impact Tool presents a standardised template created by Gold Standard to help project developers more efficiently monitor and quantify a project's contribution to the Sustainable Development Goals (SDGs) and for VVBs to verify these contributions.

4.1.2 | The tool provides a step-wise approach to facilitate identification, quantification and reporting of sustainable development monitoring indicators in line with SDG framework to support meaningful, consistent, credible and structured performance reporting of project impacts.

4.1.3 | This excel-based tool is built using the guiding principles and design framework prescribed in the *SDG Tool Guidance*, co-developed with myclimate, Climate Seed, the Swedish Energy Agency, and UN SDSN. The tool is based on the following five guiding principles:

i. **Credibility:** Ensuring the credibility and integrity of SDG impact claims by using an independent, robust and standardised way to quantify, monitor and report the SDG impacts at the project level.

ii. **Efficiency:** Increasing MRV efficiency by including relevant indicators and targets based on project type, methodology and sector. Linking SDG

indicators to existing and approved methodologies and the parameters already being monitored reduces monitoring efforts and overcomes potential disincentive to report on multiple SDGs.

iii. **Comparability:** Facilitating consistency, comparability of project SDG impacts reporting within sectors and aggregation of SDG impacts for reporting at the standard's portfolio level and in value chain interventions.

iv. **Flexibility:** Allowing flexibility for innovation, including additional SDG impacts that would not be typically envisaged for a given activity or to adapt for the provision of national-level indicators, where these exist.

v. **Compelling:** Enhancing the communication of SDG impacts by having a transparent, consistent yet clear and compelling way to report on and visualise the impacts for each project/intervention.

4.1.4 | While the SDG impact tool focuses on positive SDG impact reporting, the corresponding claims made by project developers concerning positive impacts are credible only if they are determined and communicated in conjunction with robust stakeholder engagement, strong safeguards and credible verification as defined in GS4GG standard requirements.

4.2 | Structure of the SDG Impact Tool

4.2.1 | The SDG Impact Tool is a Microsoft excel based application. On opening the tool, users will have access to six worksheets summarised in the table below. Five of these worksheets are for 'reference only', included to provide additional support for using the tool. Users are required to complete the **'Impact assessment'** worksheet. The following section 4.3 provides stepwise guidance for project developers on how to complete and submit this worksheet.

Worksheet	Description	USER INPUT Needed
i. Read me	provides in-built instructions on how to use the tool	No
ii. Impact assessment	to identify the relevant SDG impacts to project activity and design monitoring, reporting and verification approach	Yes
iii. Mapping	provides a snapshot of the available monitoring indicators per activity type	No
iv. BA	background assessment and provides detail information on monitoring indicators and guidance for case where the text is not visible in impact assessment sheet	No

v. Background	information that supports the tool functionality including the list of indicators, project types, links to resources.	No
vi. Use Case	shows an impact assessment fully filled out. Included to provide users with a source of reference for how the assessment should be completed.	No

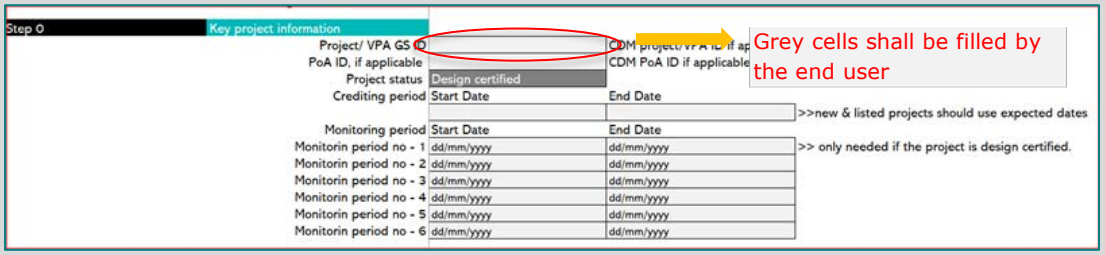
4.3 | Step-by-step guidance

4.3.1 | The user is required to fill-in the "**Impact Assessment**" worksheet **ONLY** for determining SDG impacts. The user should fill project information in the cells marked for "User input".

4.3.2 | For Step 0 – Key project information, the impact assessment sheet is to be filled-out as follows:

Step 0

Entering key project information



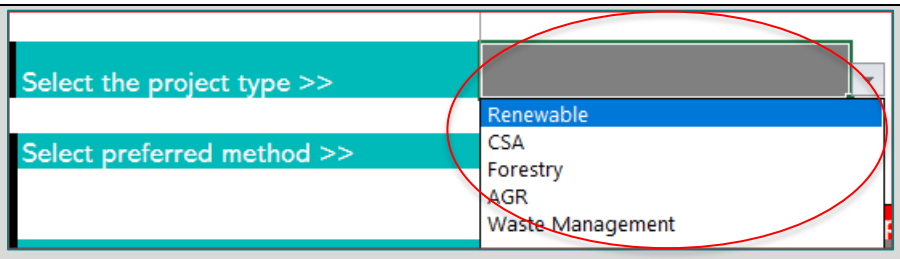
The user shall manually enter or select (as applicable) key project information, which includes the following:

1. Project/VPA GS ID
2. PoA GS ID (if applicable)
3. Project status (select from the dropdown list, which includes the following status: 'New', 'Listed', 'Design Certified' and 'Certified Project')
4. Crediting Period (DD/MM/YYYY to DD/MM/YYYY)
5. Monitoring Period (DD/MM/YYYY to DD/MM/YYYY)

4.3.3 | For Step 1 – Select the project type, the impact assessment sheet is to be filled-out as follows:

Step 1

Selecting the project type



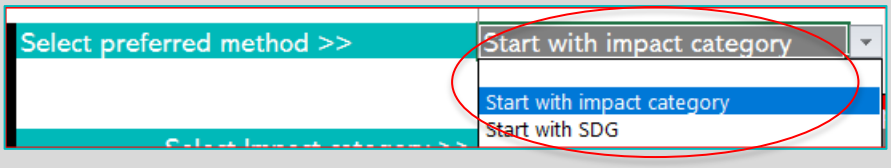
The user shall select project type from the default dropdown list, which contains the following activity types:

1. Renewable Energy
2. Community Services Activities
3. Forestry
4. Agriculture
5. Waste management and handling

4.3.4 | For Step 2 – Selecting the preferred monitoring indicator selection method as per below

Step 2

Selecting the preferred quantification method

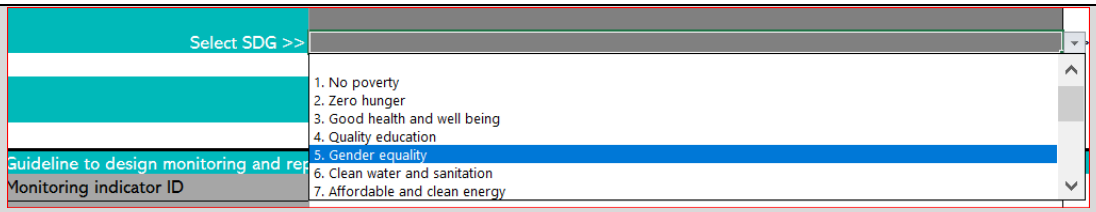


The user should choose the preferred method for identification of monitoring impact from the dropdown list provided. Either of the options:

Option 1 - Start with Impact category: Useful for those project developers who have an idea of the project and targeted impacts they want to achieve, for example, reduce emissions and improve "Air quality". These reflect the current GS4GG documentation.

Option 2 - Start with Sustainable Development Goals: This method is more relevant for those who are familiar with the SDGs and would like to assess impact towards specific SDGs. These are listed as per the 17 SDGs available under the Global Goals.

Once the preferred method has been chosen, the end user can use the pre-populated drop-down list to start selecting the specific **Impact category** or **Sustainable Development Goals** required to assess the sustainable development contributions of the project.



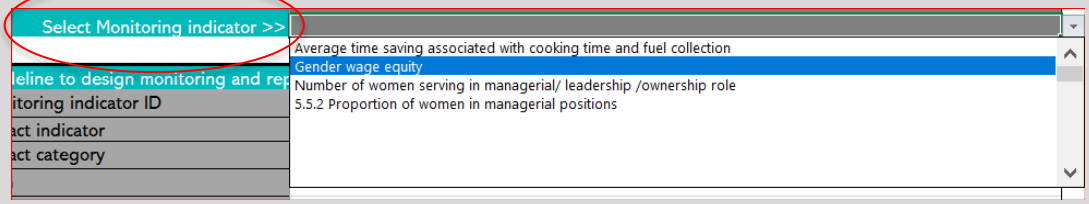
NOTE: **The user must use the same method (i.e., Impact area/category or Sustainable Development Goal) for all monitoring indicators to ensure consistency in the approach.**

4.3.5 | For Step 3 – Selecting the monitoring indicator as per below:

Step 3

Selecting the monitoring indicators

Based on Impact category or SDG selected in the previous step, the tool automatically populates the relevant list of default monitoring indicators.



The user shall select the relevant **monitoring indicator** from this dropdown list. Users can refer to the Mapping worksheet for the full list of monitoring indicators available.

This step is repeated until the end user has listed all the indicators to be assessed in this tool. Small arrows guide users from one indicator to the next.

NOTE: The tool provides space for a maximum 10 monitoring indicators.

4.3.6 | For Step 4 – Follow the guidance for selected monitoring indicator as per below:

Step 4

Reading the guidelines for monitoring and reporting plan

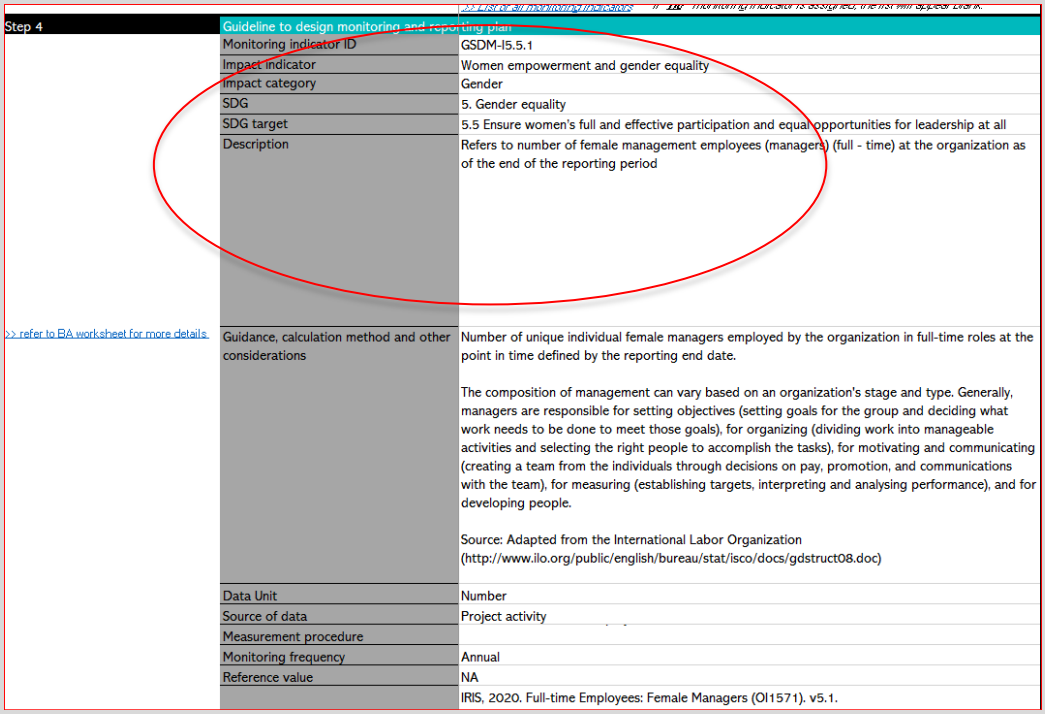
The user should **read the guidelines** to design and implement the monitoring and reporting plan for selected monitoring indicators..

Guidelines provide a snapshot of:

- Relevant impact indicator, SDG, SDG targets
- Purpose of the indicator
- How assessment and monitoring should be conducted
- Limitations associated with the parameter for example minimum

monitoring requirements, where applicable

- Other reference sources for further details that could be useful for decision making etc.



Step 4	Guideline to design monitoring and reporting plan	
	Monitoring indicator ID	GSDM-I5.5.1
	Impact indicator	Women empowerment and gender equality
	Impact category	Gender
	SDG	5. Gender equality
	SDG target	5.5 Ensure women's full and effective participation and equal opportunities for leadership at all
	Description	Refers to number of female management employees (managers) (full - time) at the organization as of the end of the reporting period
>> refer to BA worksheet for more details	Guidance, calculation method and other considerations	Number of unique individual female managers employed by the organization in full-time roles at the point in time defined by the reporting end date. The composition of management can vary based on an organization's stage and type. Generally, managers are responsible for setting objectives (setting goals for the group and deciding what work needs to be done to meet those goals), for organizing (dividing work into manageable activities and selecting the right people to accomplish the tasks), for motivating and communicating (creating a team from the individuals through decisions on pay, promotion, and communications with the team), for measuring (establishing targets, interpreting and analysing performance), and for developing people. Source: Adapted from the International Labor Organization (http://www.ilo.org/public/english/bureau/stat/isco/docs/gdstruct08.doc)
	Data Unit	Number
	Source of data	Project activity
	Measurement procedure	
	Monitoring frequency	Annual
	Reference value	NA
		IRIS, 2020. Full-time Employees: Female Managers (OI1571). v5.1.

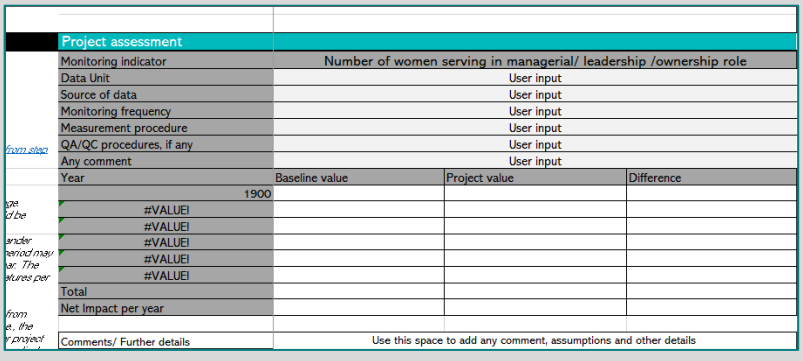
NOTE: More in-depth information on the guidance, calculations and other considerations can be found in the background assessment (BA) worksheet

4.3.7 | For Step 5 – Completing the project level assessment as per below:

Step 5

Completing the project level assessment

The user shall complete the **project level assessment** to quantify the sustainable development contributions for selected monitoring indicator, by populating the project assessment table with the data and information gathered during its monitoring/measurements activities.



Project assessment				
Monitoring indicator	Number of women serving in managerial/ leadership /ownership role			
Data Unit	User input			
Source of data	User input			
Monitoring frequency	User input			
Measurement procedure	User input			
QA/QC procedures, if any	User input			
Any comment	User input			
Year	Baseline value	Project value	Difference	
1900				
#VALUE!				
#VALUE!				
#VALUE!				
#VALUE!				
#VALUE!				
Total				
Net Impact per year				
Comments/ Further details	Use this space to add any comment, assumptions and other details			

Where applicable, the user can copy and paste data and information provided in the guidelines table in Step 4.

The data shall be reported in terms of 'Baseline value', 'Project value' and 'Difference' and provided for each vintage. The 'Difference' represents the actual SDG impact for the monitoring indicator being assessed.

The end user shall also provide list of assumptions & supporting evidences and other details applied to support the assessment and monitoring data in the comment section of the table.

5| REPORTING THE OUTPUTS OF THE SGD IMPACT TOOL

5.1.1 | The completed SDG Tool[5] shall be submitting along with other project documentation (like Project Design Document (PDD), Monitoring Report (MR), Emission Reduction (ER) spreadsheets, as applicable) during requests for:

a. Preliminary Review

b. Validation and Verification to GS-VVB

c. Design and Performance review/certification to Gold Standard

~~5.1.1 | The project developer shall submit the completed SDG Impact Tool and selected indicators as part of the project documentation for validation, design review, verification and performance review.~~

5.1.2 | For reporting sustainable development impact assessment (ex-ante or ex-post), the PDD/MR shall be completed as follows:

c. For SDG 13, the PD/CME shall carry out detailed calculations of sustainable development impact as per the relevant methodological requirements and record them in the PDD/MR and further summarisze the results in the SDG tool.

d. For all other SDGs, the PD/CME shall carry out detailed calculations of sustainable development impacts in the SDG tool and summarisze the results in the PDD/MR.

~~The project developer shall complete the PDD for SDG13 requirements. For other SDG impacts, the completed tool can be submitted to meet certification requirements.~~

Note that Gold Standard is working to further automate and digitalise the tools, so

[5] The PD/CME shall ensure that all steps (step 1-5) of the SDG Tool are fully completed, and all data/information is provided as per the relevant certification step (mentioned in para 5.1.1 a. to c.).

that the SDG Impact Tool is seamlessly integrated into the standard documents, registry and certification workflows and deliver enhance impact reporting capabilities.

5.2 | Process for proposing new monitoring indicators

5.2.1 | The SDG Impact Tool provides a list of default monitoring indicators for eligible activity types. Project developers may also submit new monitoring indicators for review and inclusion in future versions of the SDG Impact Tool by completing the *template for proposing new monitoring indicator(s)*.

5.2.2 | Proposed monitoring indicators and the completed Template shall be submitted to standards@goldstandard.org.

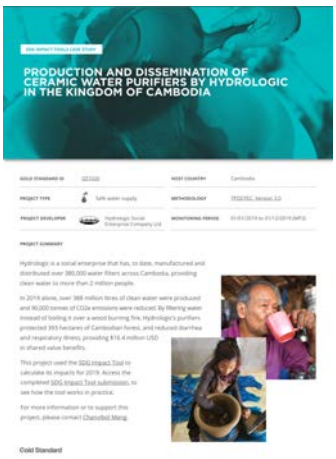
5.2.3 | The Gold Standard, in consultation with the Technical Advisory Committee, will review the proposed indicator and suggested monitoring approach, and if applicable, will add into the next iteration of the SDG Impact Tool.

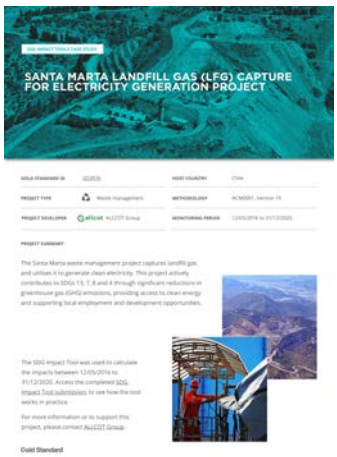
5.3 | Public Disclosure

~~5.2.4 |~~5.3.1 | The certified SDG tool shall be made publicly available through the Gold Standard Impact R~~r~~egistry, in addition to the other public documents, as per paragraphs 5.1.11 and 6.1.2. of the Principles & Requirements, and in addition to the Rule Clarification p~~P~~ublic disclosure requirements for p~~P~~roject documentation.

6| CASE STUDIES

This section provides some use cases of Gold Standard projects applying the SDG Tool for quantifying and reporting their SDG impacts.





7| RESOURCES AND FURTHER INFORMATION

i. Guidance for the Identification of Impacts and Indicators for Activity Level SDG Impact Reporting

ii. SDG Impact Assessment Tool – Guide 1.0

iii. The Sustainable Development Goals Report 2021

iv. Final List of Proposed Sustainable Development Goals Indicators

DOCUMENT HISTORY

Version	Date	Description
1.1	~~DD~~14/0~~2~~3/2022	a. ~~Providing f~~Further clarification on the applicability of the tool to existing and new projects/PoAs b. F~~Providing f~~urther clarification on reporting the outcomes of the SDG Tool c. Making editorial improvements
1.0	13/12/2021	Initial version of the SDG Tool Manual